

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE BIG SANDY)	
WATER DISTRICT TO ISSUE SECURITIES IN)	
THE APPROXIMATE PRINCIPAL AMOUNT OF)	
\$495,000 FOR THE PURPOSE OF REPLACING)	CASE NO.
CERTAIN OUTSTANDING REVENUE BONDS OF)	2000-191
THE LAWRENCE COUNTY WATER DISTRICT)	
BEING ASSUMED BY THE BIG SANDY WATER)	
DISTRICT PURSUANT TO THE PROVISIONS OF)	
KRS 278.300 AND 807 KAR 5:001)	

O R D E R

On April 24, 2000, Big Sandy Water District ("Big Sandy") applied to the Commission for authority to issue certain securities in the approximate principal amount of \$495,000 for the purpose of replacing and being substituted for the outstanding Lawrence County Water District Waterworks Revenue Bonds. By Order dated March 2, 2000 in Case No. 99-481,¹ the Commission approved the transfer of Lawrence County Water District ("Lawrence District") to Big Sandy. As part of that transfer, Big Sandy is assuming Lawrence District's bonds, which are currently held by the U.S. Department of Agriculture. In its filing, Big Sandy requested permission to deviate from the requirements of Administrative Regulation 807 KAR 5:001, Section 6.

¹ Case No. 99-481, The Joint Application of Lawrence County Water District and Big Sandy Water District for Authorization and Approval of the Proposed Transfer of Ownership and Control of All Lawrence County Water District's Water System Property Assets and Funds to Big Sandy Water District.

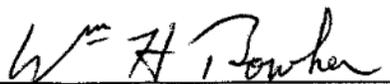
Administrative Regulation 807 KAR 5:001, Section 6, requires the submission of a detailed financial exhibit for the period ending not more than 90 days prior to the date of the application. Specifically, Section 6(5) requires that the financial exhibit disclose the amount of bonds authorized and the amount of bonds issued, and Section 6(9) requires a detailed income statement and balance sheet. Each of these items is adequately reflected in Big Sandy's 1999 annual report, which is on file with the Commission. In support of its request for permission to deviate from these requirements, Big Sandy states that it is proposing to issue securities for the sole purpose of replacing and substituting the outstanding Lawrence District bonds. In addition, it states that there has been no material change in the financial condition or operation of the District since December 31, 1999. Therefore, under the circumstances of this case – which involves a merged entity merely replacing securities issued by its predecessor – the Commission finds good cause to grant the deviation requested and to use, for purposes of this case, financial reports already on file in the Commission's offices.

IT IS THEREFORE ORDERED that Big Sandy's request to deviate from the requirements of 807 KAR 5:001, Section 6, is granted.

Done at Frankfort, Kentucky, this 18th day of May, 2000.

By the Commission

ATTEST:

Deputy 
Executive Director